

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG ELECTRIC LOGS FILE X WATER SANDS LOCATION INSPE SUB REPORT/abd.NEW APD SUBMITTED - 43-047-32789!

DATE FILED JANUARY 6, 1995

LAND: FEE & PATENTED

STATE LEASE NO.

PUBLIC LEASE NO.

U-0285-A

INDIAN

DRILLING APPROVED: AUGUST 16, 1995

SPUDED IN:

COMPLETED:

PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: LOCATION ABANDONED PER BLM EFFECTIVE SEPTEMBER 17, 1996

FIELD: NATURAL BUTTES FIELD

UNIT: CHAPITA WELLS UNIT

COUNTY: UINTAH

WELL NO. CHAPITA WELLS UNIT 434-27N

API NO. 43-047-32640

LOCATION 2294' FNL FT. FROM (N) (S) LINE. 1638' FWL

FT. FROM (E) (W) LINE.

SE NW

1/4 - 1/4 SEC.

27

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
9S	22E	27	ENRON OIL & GAS CO				

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

(Other instructions on reverse side)

JAN - 6 1995

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

DIVULGIL GAS & MINING

b. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

SINGLE ZONE ☐

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

ENRON OIL & GAS COMPANY

3. ADDRESS OF OPERATOR

P.O. BOX 1815, VERNAL, UTAH 84078

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface

2294' FNL & 1638' FWL SE/NW

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

19.1 MILES SOUTHEAST OF OURAY, UTAH

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

1638'±

16. NO. OF ACRES IN LEASE

1800±

17. NO. OF ACRES ASSIGNED
TO THIS WELL

80

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1764'±

19. PROPOSED DEPTH

6750' *NSIC*

20. ROTARY OR CABLE TOOLS

ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

4988' GRADED GROUND

22. APPROX. DATE WORK WILL START*

JANUARY 1995

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	32.3#	240'	125 SX CLASS "G" + 2% CaCl2
7 7/8"	4 1/2"	10.5#	6750'	+ 1/4 #/SX CELLOFLAKE. 50/50
				POZMIX + 2% GEL + 10% SALT
				TO 400' ABOVE ALL ZONES
				OF INTEREST (+ 10% EXCESS).
				LIGHT CEMENT (11 PPG±)
				+ LCM TO 200' ABOVE OIL
				SHALE OR FRESH WATER
				INTERVALS (+ 5% EXCESS).

SEE ATTACHMENTS FOR:

8 POINT PLAN
DRILLING PROGRAM
BOP SCHEMATIC
SURFACE USE AND OPERATING PLAN
LOCATION PLAT
LOCATION LAYOUT
TOPOGRAPHIC MAPS "A", "B", AND "C"
GAS SALES PIPELINE MAP "D"
FACILITY DIAGRAM

ENRON OIL & GAS COMPANY WILL BE THE
DESIGNATED OPERATOR OF THE SUBJECT
WELL UNDER NATION WIDE BOND #81307603.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Linda L Wall TITLE Sr. Admin. Clerk DATE 12/21/94

(This space for Federal or State office use)

PERMIT NO. 43-047-32640

APPROVED BY [Signature]
CONDITIONS OF APPROVAL, IF ANY:

APPROVAL DATE 12/21/94
APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: _____

*See Instructions On Reverse Side

BY: _____

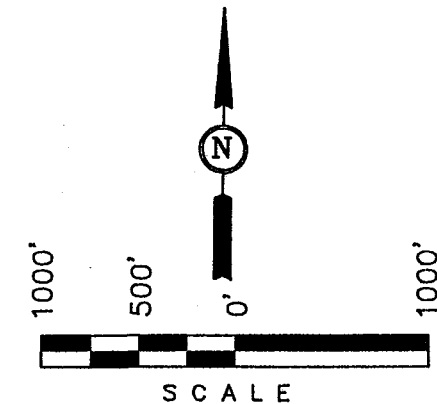
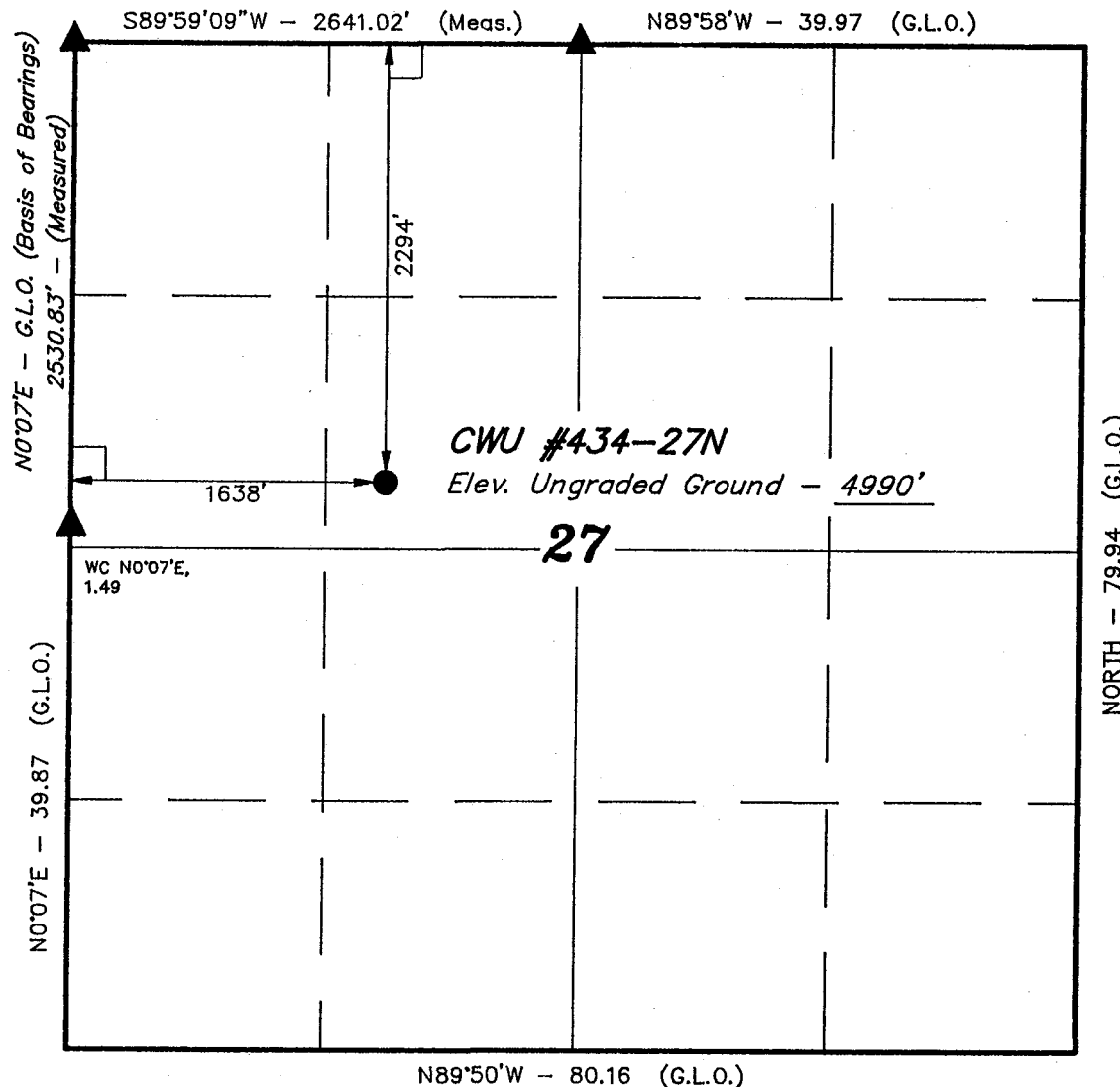
T9S, R22E, S.L.B.&M.

ENRON OIL & GAS CO.

Well location, CWU #434-27N, located as shown in the SE 1/4 NW 1/4 of Section 27, T9S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT THE NE CORNER OF SECTION 27, T9S, R22E, S.L.B.&M. TAKEN FROM THE RED WASH SW QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4973 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 16439
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST VERNAL, UTAH 84078
(801) 789-1017

LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD
- = SECTION CORNERS LOCATED. (Brass Caps)

SCALE 1" = 1000'	DATE SURVEYED: 7-18-94	DATE DRAWN: 8-22-94
PARTY G.S. D.G. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER HOT	FILE ENRON OIL & GAS CO.	

EIGHT POINT PLAN

CHAPITA WELLS UNIT 434-27N SECTION 27, T9S, R22E UINTAH COUNTY, UTAH

1. & 2. ESTIMATED TOPS & ANTICIPATED OIL, GAS & WATER ZONES:

FORMATION	DEPTHS	TYPE ZONES	MAXIMUM PRESSURE
Green River			
Oil Shale	1392'		
"H" Marker	2927'		
"J" Marker	3587'		
"Base "M": Marker	4187'		
Wasatch			
Peters Point	4612'	Gas	2100 PSI
Chapita Wells	5142'	Gas	2300 PSI
Buck Canyon	5702'	Gas	2600 PSI
Island	6625'		
EST. TD	6750'	Anticipated BHP	3000 PSI

All depths are based on estimated KB elevation 4992'. Maximum pressure estimates are based on bottom hole pressures measured on offset or near vicinity wells to the subject well.

3. PRESSURE CONTROL EQUIPMENT:

BOP Schematic Diagram Attached.

4. CASING PROGRAM

								MINIMUM SAFETY FACTOR		
HOLE SIZE	INTERNAL	LENGTH	SIZE	WEIGHT	GRADE	THREAD		COLLAPSE	BURST	TENSILE
12 1/4"	0' - 240'	240'	9 5/8"	32.3#	H-40	ST&C		1370 PSI	2270 PSI	254,000#
7 7/8"	0' - 6750'	6750'	4 1/2"	10.5#	J-55	ST&C		4010 PSI	4790 PSI	146,000#

All casing to be used will be new or inspected.

5. MUD PROGRAM

<u>INTERVAL</u>	<u>MUD TYPE</u>
0' - 240'	Air
240' - 4000'	Air/Mist & Aerated Water
4000' - TD	Air/3% KCl water or KCl substitute
TD	Gel/polyacrylamide polmer w/5-10% LCM

Lost circulation probable from 1500' to 3000'±.

Sufficient mud inventory will be maintained on location during drilling to handle any adverse conditions that may arise.

**EIGHT POINT PLAN
CHAPITA WELLS UNIT 434-27N**

6. VARIANCE REQUESTS:

- A. Enron requests a variance to regulations requiring a straight run blooie line (Where possible a straight run blooie line will be used).
- B. Enron requests a variance to regulations requiring an automatic ignitor or continuous pilot light on the blooie line. (Not required on aerated water system).

7. EVALUATION PROGRAM:

Logs:	Dual Laterolog/GR FDC-CNL/GR/Caliper Linear 2" DLL.	From base of surface casing to TD. TD to 2800'
Cores:	None Programmed	
DST' :	None Programmed	

Completion: To be submitted at a later date.

8. ABNORMAL CONDITIONS

None anticipated.

9. STANDARD REQUIRED EQUIPMENT:

- A. Choke Manifold
- B. Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

10. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355 in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

Attachment: Bop Schematic Diagram

CWU434-27NPP

CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL

Company/Operator: ENRON OIL & GAS COMPANY
Well Name & Number: CHAPITA WELLS UNIT 434-27N
Lease Number: U-0285-A
Location: 2294' FNL & 1638' FWL SE/NW SEC. 27 T9S, R. 22E
Surface Ownership: FEDERAL LAND - BLM

NOTIFICATION REQUIREMENTS

- Location Construction - forty-eight (48) hours prior to construction of location and access roads.
- Location Completion - prior to moving on the drilling rig.
- Spud Notice - at least twenty-four (24) hours prior to spudding the well
- Casing String and Cementing - twenty-four (24) hours prior to running casing and cementing all casing strings.
- BOP and Related Equipment Tests - twenty-four (24) hours prior to running casing and tests
- First Production Notice - within five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

THIRTEEN POINT SURFACE USE PROGRAM

1. EXISTING ROADS

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing road.
- B. The proposed wellsite is located approximately 19.1 miles southeast of Ouray, Utah - See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

2. PLANNED ACCESS ROAD

- A. The access road will be 25' in length. See attached TOPO Map "B".
- B. The access road has a 30 foot ROW w/18 foot running surface.
- C. Maximum grade on access road will be 5%.
- D. No turn outs will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No culverts, bridges or major cuts & fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards or fences will be required or encountered.

New or reconstructed roads will be centerline - flagged at time of location staking.

All travel will be confined to existing access road Right-of-Way. Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service Publication: Surface operating Standards For Oil & Gas Exploration and Development, (1989).

The road shall be upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Upgrading shall include ditching, drainage, graveling, crowning, and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot Right-of-Way will not be allowed.

Road drainage crossing shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossings nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by run off water shall be prevented by diverting water off at frequent intervals by means of cutoffs. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

No Right-of-Way applications will be required.

As operator Enron Oil & Gas Company shall be responsible for all maintenance on cattlequads, or gates associated with this oil and/or gas operation.

3. LOCATION OF EXISTING WELLS WITHIN A ONE MILE RADIUS OF PROPOSED WELL LOCATION

- A. Water wells - None
- B. Abandoned wells - One
- C. Temporarily abandoned wells - None
- D. Disposal wells - None
- E. Drilling wells - None
- F. Producing wells - Ten - See attached TOPO Map "C" for location of producing wells.
- G. Shut in wells - None
- H. Injection wells - None

4. LOCATION OF EXISTING/ AND OR PROPOSED FACILITIES

A. ON WELL PAD

- 1. Tank batteries - None
- 2. Production facilities will be set on location if well is successfully completed for production. Facilities will consist of well head valves, separator, dehy, 210 Bbl condensate tank, meter house and attaching piping. See attached facility diagram.
- 3. Oil gathering lines - None
- 4. A 3 1/2" gathering line will be buried from dehy to north edge of location.
- 5. Injection line - None
- 6. Disposal lines - None
- 7. Surface pits - None

B. OFF WELL PAD

- 1. Proposed location of attendant off pad gas flowlines shall be flagged prior to archaeological clearance.
- 2. A 4 1/2" OD steel above ground natural gas pipeline will be laid approximately 275' from proposed location to a point in the SE/NW of Sec. 27, T9S, R22E, where it will tie into Questar Pipeline Co.'s existing line. Proposed pipeline crosses BLM administrated lands within the Chapita Wells Unit, thus no Right-of-Way grant will be required. See attached Exhibit "A" showing pipeline route.
- 3. Proposed gas gathering pipeline will be a 4 1/2" OD steel, welded line laid on the surface.
- 4. Protective measures and device for livestock and wildlife will be taken and or installed where required.

If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain at a minimum, the entire content of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.

The production facilities will be placed on the south side of location.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities required will be painted within 6 months of installation. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded. The required paint color is Carlsbad Canyon.

If at any time the facilities located on public land and authorized by the terms of the lease are no longer included in the lease (due to a construction in the unit or other lease or unit boundary change), BLM will process a change in authorization to the appropriate rental or other financial obligation as determined by the authorized officer.

5. LOCATION & TYPE OF WATER SUPPLY

- A. Water supply will be from Ouray Brine Plant at Ouray, Utah, and/or Target Trucking Inc.'s water source in the SW/SW Sec. 35, T9S, R22E Uintah County, Utah (State water right #49-1501).
- B. Water will be hauled by Target Trucking Inc.
- C. No water well will be drilled on lease.

6. SOURCE OF CONSTRUCTION MATERIAL

- A. All construction material for this location and access road will be of native borrow and soil accumulated during the construction of location.
- B. All construction material will come from Federal Land.
- C. No mineral materials will be required.

7. METHODS OF HANDLING WASTE DISPOSAL

A. METHODS AND LOCATION

- 1. Cutting will be confined in the reserve pit.
- 2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.
- 3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at an approved waste disposal facility.
- 4. Produced waste water will be confined to a lined pit or

storage tank for a period not to exceed 90 days after initial production. During the 90 days an application for approval of a permanent disposal method and location, together with the required water analysis, will be submitted for AO's approval.

5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on drilling rig to avoid leakage of oil to pit.

- B. Water from drilling fluids recovered during testing operations will be disposed of by either evaporating in reserve pit or be removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to reserve pit will be avoided by flaring them off in flare pit at time of recovery.

Burning will not be allowed. All trash must be contained in a trash cage and hauled away to an approved disposal site at the completion of the drilling activities.

On BLM Administered land:

The reserve pit will be constructed so as not to leak, break, or allow discharge.

The reserve pit shall be lined.

After first production, produced waste water will be confined to a lined pit or storage tank for a period not to exceed ninety (90) days. During the 90 day period, in accordance with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with required water analysis, shall be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.

8. ANCILLARY FACILITIES

- A. No airstrips or camps are planned for this well.

9. WELL SITE LAYOUT

- A. Refer to attached well site plat for related topography cuts and fills & cross sections.
- B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.
- C. Refer to attached well site plat for rig orientation parking areas, and access road.

The reserve pit will be located on the north side of location.

The flare pit will be located downwind of the prevailing wind direction on the north side of location a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.

The stockpiled topsoil will be stored on the north side.

Access to the well pad will be from the south.

- NA Diversion ditch(es) shall be constructed on the _____ side of the location (above/below) the cut slope, draining to the _____.
- NA Soil compacted earthen (berms) shall be placed on the side (s) of the location between the _____.
- NA The drainage (s) shall be diverted around the side(s) of the well pad location.
- NA The reserve pit and/or locations shall be constructed long and narrow for topographic reasons _____.
- NA The _____ corner of the well pad will be rounded off to avoid the _____.
- NA The existing road will be rerouted to the east of the location. The top soil pile placed on the Southwest end will serve as a detour and block traffic from entering location.

FENCING REQUIREMENTS

All pits will be fenced according to the following minimum standards:

- A. 39 inch net wire shall be used with at least one strand of barbed wire on top of the net wire. (Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).
- B. The net wire shall be no more than 2 inches above the ground. The barbed wire strand shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- D. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16'.
- E. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

The reserve pit fencing will be on the three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until clean-up.

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and upon completion of construction the fence shall be repaired to BLM or SMA specifications. A cattlequard with and adjacent 16 foot gate shall be installed in any fence where a road is to be regularly traveled. If the well is a producer, the cattleguards (shall/shall not) be permanently mounted on concrete bases. Prior to a new road, crossing any fence located on federal land, or any fence between federal land and private land, the operator will contact the BLM, who will in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the

fence is adequately braced and tied off.

10. PLANS FOR RESTORATION OF SURFACE

A. PRODUCING LOCATION

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, material, trash, and junk not required for production.

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with CFI 3162.7-1.

If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

The reserve pit and that portion of the location no needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 12 months from the date of well completion. Before any dirt work takes place, the reserve pit will be completely dry and all cans, barrels, pipe, etc., will be removed. Contact appropriate surface management agency for required seed mixture.

B. DRY HOLE/ABANDONED LOCATION

At such time the well is plugged and abandoned, the operator will submit a subsequent report of abandonment and BLM will attach the appropriate surface rehabilitation conditions of approval.

11. SURFACE OWNERSHIP

Access road: Federal
Location: Federal

12. OTHER INFORMATION

A. Enron Oil & Gas Company will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the AO. Within five working days the AO will inform operator as to:

-whether the materials appear eligible for the National Register of Historic Places:

-the mitigation measures the operator will likely have to undertake before the site can be used.

-a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

-if the operator wishes, at the time to relocate activities to avoid the

expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

- B. As operator Enron Oil & Gas Company will control noxious weeds along Right-of-Ways for roads, pipelines, well sites or other applicable facilities. A list of noxious weeds will be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land a Pesticide Use proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- C. Drilling rigs and/or equipment used during drilling operations on this wellsite will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs).

Additional surface stipulations:

- No construction or drill activities shall be conducted between February 1 and July 1 because of raptor stips.
- NA No surface occupancy will be allowed within 1,000 feet of any sage grouse strutting ground.
- NA No construction or exploration activities are permitted within 1.5 mile radius of sage grouse strutting grounds from April 1 to June 30.
- NA There shall be no surface disturbance within 600 feet of live water (includes stock tanks, springs, and guzzlers).
- NA No cottonwood trees will be removed or damaged.
- NA _____ pond will be constructed according to BLM specifications approximately _____ north of the location, as flagged on onsite.

LESSEE'S OR OPERATORS REPRESENTATIVE AND CERTIFICATION

ENRON OIL & GAS COMPANY
P.O. Box 1815
Vernal, Utah 84078
George McBride
Telephone: (801) 789-0790

ENRON OIL & GAS COMPANY
P. O. Box 250
Big Piney, Wyoming 83113
Jim Schaefer
Telephone: (307) 276-3331

All lease/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approval plan of operations, and any applicable Notice to Lessees. Enron Oil & Gas Company is fully responsible for the actions of their subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

A copy of the approved APD and ROW grant, if applicable, shall be on location during construction of the location and drilling activities.

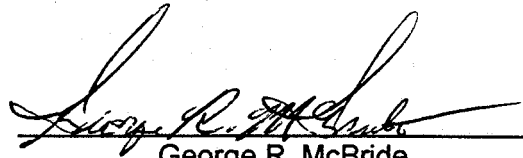
The BLM Office shall be notified upon site completion prior to moving the drilling rig.

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in the Plan are to the best of my knowledge, true and correct; and that the work associated with the operations proposed here in will be performed by ENRON OIL & GAS COMPANY and its contractors and sub-contractors in conformity with this Plan and the terms and conditions under which it is approved.

12/21/94

Date



George R. McBride
SR. Production Foreman

ENRON
Oil & Gas Company

DRILLING PROGRAM

Date: July 26, 1994

REVISION NO. & DATE: _____

PROSPECT: Chapita Wells Unit LEASE: _____

WELL NAME & NUMBER: Chapita Wells Unit 434-27N

WELL CLASSIFICATION: DW-GAS ANTICIPATED PRODUCTION: OIL _____ GAS X OTHER _____

LOCATION CALL: 2150' FNL & 1500' FWL (SE NW) (Pre-Staking estimated)
Section 27, T9S, R22E
Uintah County, Utah

ELEVATION: 4980' GL, 4992' KB (estimated)

DEVIATION LIMITATIONS: Maximum deviation for the hole will be 6° w/no more than a 1°/100' dogleg severity. See page number 4 for distance between surveys.

TYPE RIG: Land Rotary APPROVED DEPTH: 6750' PERMIT DEPTH: 6750'

CONDUCTOR NEEDED? No If yes, size & how set: _____

SURFACE CASING SPECIFICATIONS: WOC overnight before cutting off surface casing to weld on head. Adjust surface casing setting depth for conditions of approval.

CENTRALIZERS (DEPTH & TYPE):

Surface - One 5-10' above shoe & top of first, second & fourth joint.

Production - One @ middle of 1st jt & every third collar to 4600'±.

DRILLING PROGRAM

- 2 -

WELL NAME: Chapita Wells Unit 434-27N

STAGE COLLARS, BASKETS, OTHER SPECIAL EQUIPMENT:

Surface - Guide shoe & Insert Baffle Plate.

Production - Guide shoe and differential fill float collar with top plug.

Marker collars @ 4600'±.

PUMPING RATES/SPECIAL INSTRUCTIONS: Circulate casing 2 hours prior to cementing. Reciprocate casing.

LOGGING PROGRAM: DLL/GR from TD to base of surface casing.

FDC/CNL/GR/caliper from TD to 2800'. Delete MSFL & SP.

Continue caliper to desired top of cement.

CORES: None are anticipated.

SAMPLES: Collect 30' samples from below surface casing to 4000'±. Collect 10' samples from 4000'± to TD.

FORMATION TESTS: None are anticipated.

MUD LOGGING: (Includes services & depth): From 4000'± to TD.

DETECTION & CONTROL EQUIPMENT: 11" 3000 psig BOP with blind and pipe rams. 11" Annular Preventor. 11" rotating head. Test manifold & BOP's to 3000 psig, annular preventor to 1500 psig, surface casing to 1500 psig. Use certified pressure testing service company and leave a copy of the test chart in the doghouse until rig down.

COMPLETION PROGRAM: To be submitted at a later date.

OTHER SERVICES: None are anticipated.

DRILLING PROGRAM

- 3 -

WELL NAME: Chapita Wells Unit 434-27N**FORMATION TOPS & DEPTHS (tentative)****FORMATION NAME & TYPE ESTIMATED DEPTH (EL) DATUM THICKNESS & REMARKS**

See attached Prognosis.

X-MAS TREE: 11" 3000# weld on casing head, 7-1/16" 5000# x 11" 3000# tubing
spool, 2-1/16" 5000# master valves.

MUD PROGRAM

DEPTH INTERVAL	MUD WEIGHT	VIS	WL (cc)	TYPE OF MUD
0' to 240'				Air
240' to 4000'				Air/Mist & Aerated Water
4000' to TD				Aerated 3% KCl substitute water.
TD	8.5-8.9	38-45	10-15	Gel/polyacrylamide polymer w/5-10% LCM sweeps as necessary

DRILLING HAZARDS & SPECIAL INSTRUCTIONS

Lost circulation from 1500' to 3000'±. Underbalanced circulation system will
require rotating head. Potential gas kicks in Green River and Wasatch.
Potential shale swelling/sloughing problems. Meter air & add foamer to
maximize consistency of returns & maintain stable pit levels. Utilize pack off
head while running open hole logs. Pre-mix 500-600 bbls mud @ TD as above &
displace hole prior to tripping for logs.

WELL NAME: Chapita Wells Unit 434-27N**CEMENT PROGRAM**

HOLE SIZE	CASING SIZE	DEPTH	CEMENT PROCEDURE
12 $\frac{1}{4}$ "	9-5/8"	240'	Cement w/125 sx Class "G" cement + 2% CaCl ₂ + $\frac{1}{4}$ #/sx celloflake. Circulate gelled water ahead of slurry.
7-7/8"	4 $\frac{1}{2}$ "	6750'	<p>Cover interval from TD to 4100'± w/50/50 Pozmix + 2% gel + 10% salt. Volume to be calculated from caliper log annular volume to 4100' plus 5% excess.</p> <p>Cover interval from 4100'± to depth specified in conditions of approval with light cement plus specified additives. Volume to be calculated from caliper log annular volume from 4100'± to applicable upper depth plus 0% excess.</p> <p>Circulate casing 2 hrs before cementing. Reciprocate casing during cementing.</p>

NOTE: Check conditions of approval for surface casing setting depth.**CASING PROGRAM**

INTERVAL				WEIGHT			MINIMUM SAFETY FACTOR		
SIZE	FROM	TO	LENGTH	#/FT.	GRADE	THREAD	COLLAPSE (psig)	BURST (psig)	TENSILE (psig)
9-5/8"	0'	240'	240'	32.3#	H-40	ST&C	1370	2270	254,000
4-1/2"	0'	6750'	6750'	10.5#	J-55	ST&C	4010	4790	146,000

SURVEY SCHEDULE

DEPTH	DISTANCE BETWEEN SURVEYS	MAX DEVIATIONS FROM VERTICAL	MAXIMUM CHANGE DEGREES/100'
0' to 240'	240'	1 degree	1 degree
240' to TD	500' (or as needed)	6 degrees	1 degree

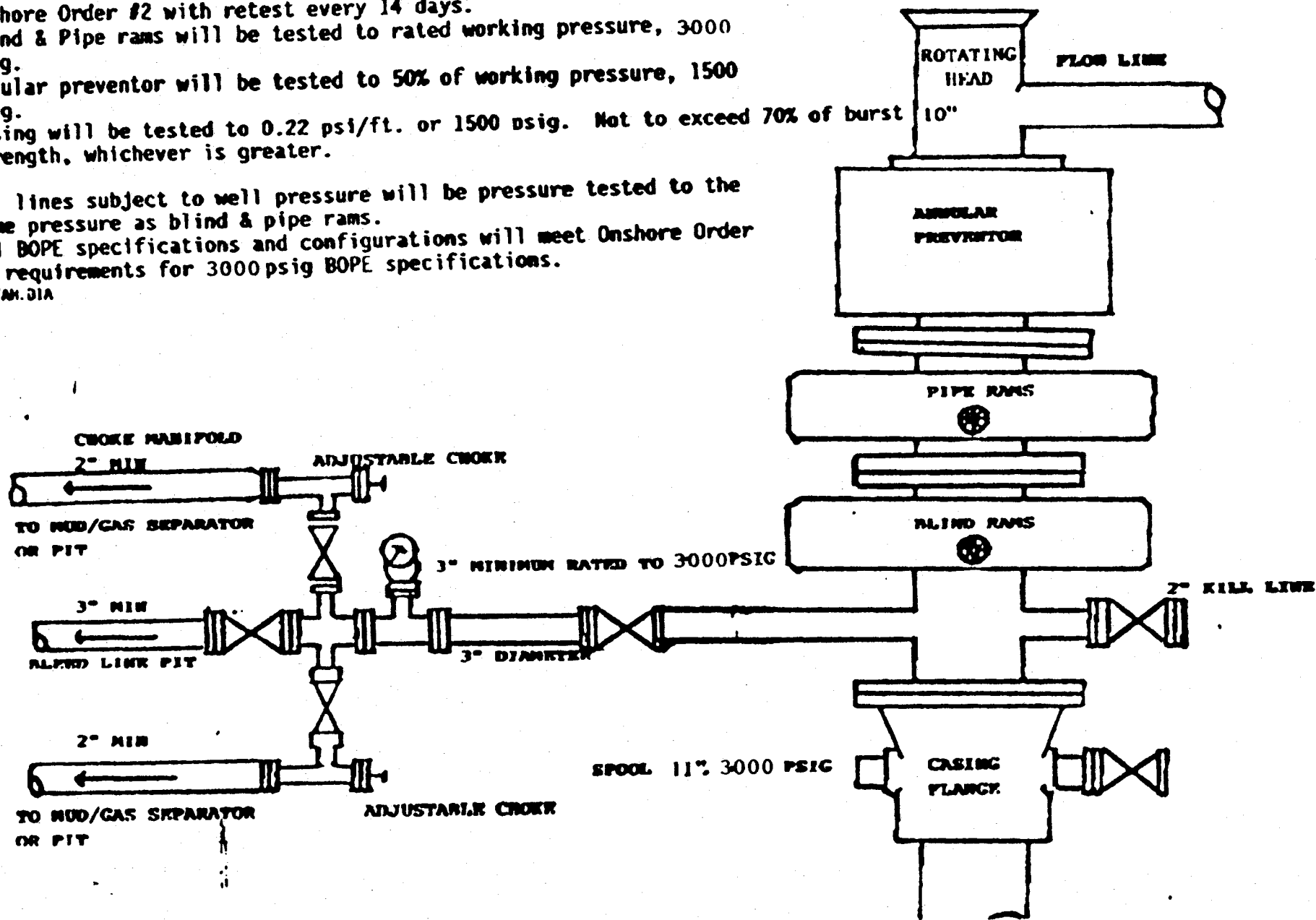
PREPARED BY: Dennis J. BrabecAPPROVED BY: Dennis J. Brabec
Dennis J. Brabec, Division Drilling ManagerAPPROVED BY: C. C. Parsons
C. C. Parsons, Division Operations Manager

ANNULAR PREVENTOR AND BOTH RAMS ARE 3000' PSIG RATED.
CASING FLANGE IS 11" 3000PSIG RATED.
BOPE 11" 3000 PSIG

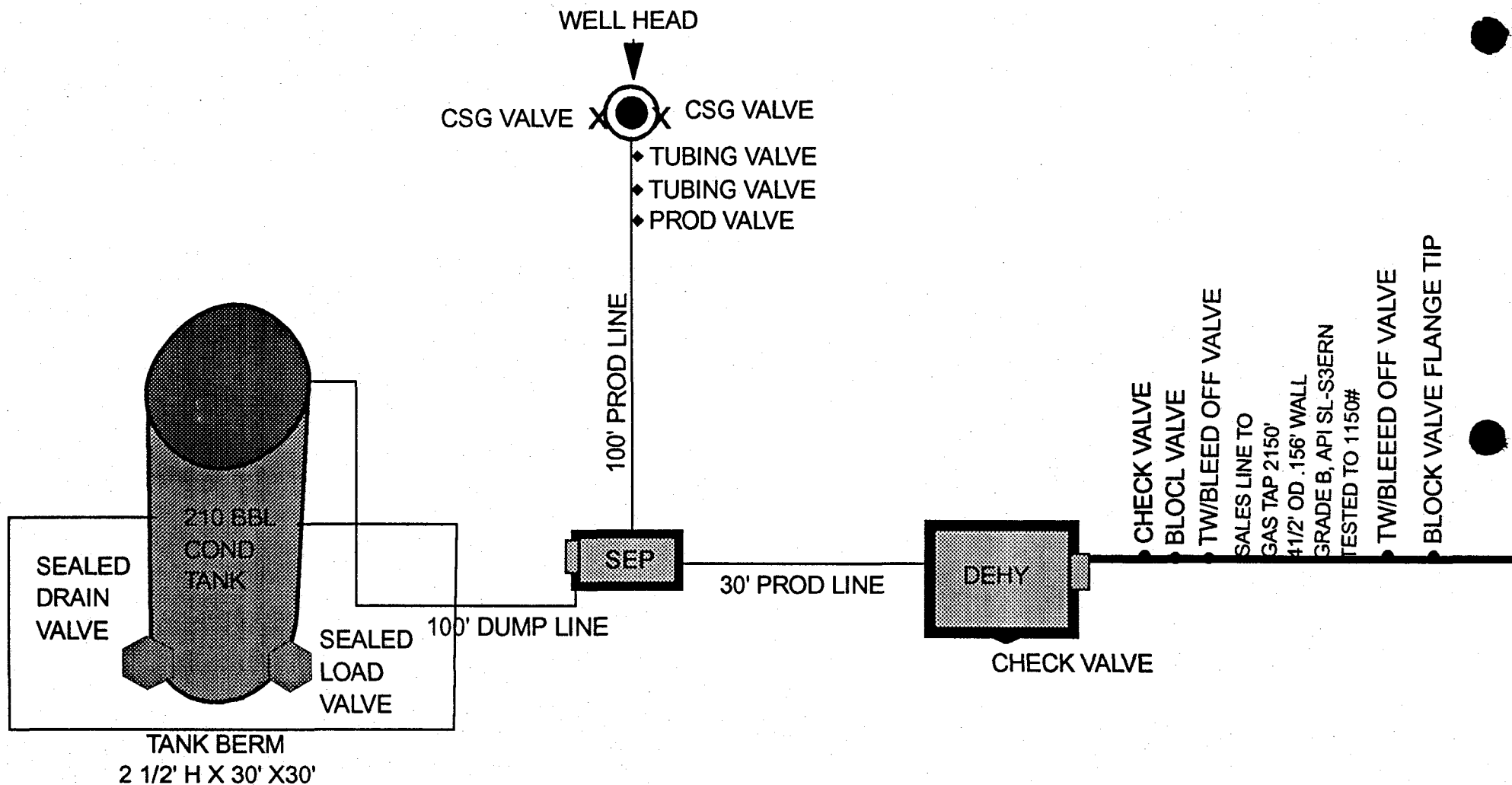
TESTING PROCEDURE:

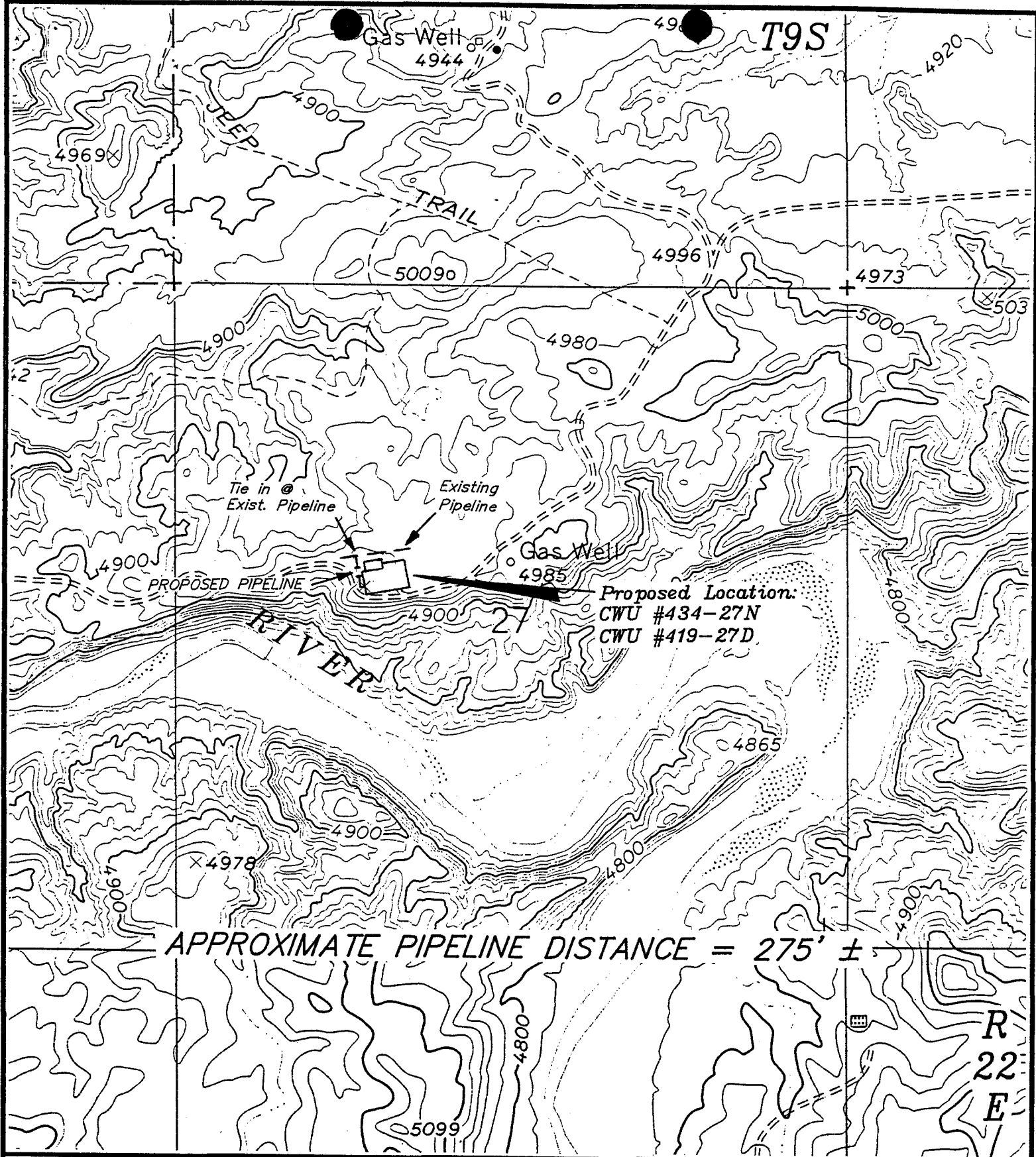
1. BOPE's will be tested with a professional tester to conform to Onshore Order #2 with retest every 14 days.
2. Blind & Pipe rams will be tested to rated working pressure, 3000 psig.
3. Annular preventor will be tested to 50% of working pressure, 1500 psig.
4. Casing will be tested to 0.22 psi/ft. or 1500 psig. Not to exceed 70% of burst strength, whichever is greater.
5. All lines subject to well pressure will be pressure tested to the same pressure as blind & pipe rams.
6. All BOPE specifications and configurations will meet Onshore Order #2 requirements for 3000psig BOPE specifications.

N:\DOC\BOPE\TAH.DIA



CHAPITA WELLS UNIT 434-27N
SE/NW SEC. 27, T9S, R22E S.L.B. & M
UINTAH COUNTY, UTAH
FEDERAL LEASE NO. U-0285-A





TOPOGRAPHIC
MAP "D"

LEGEND:

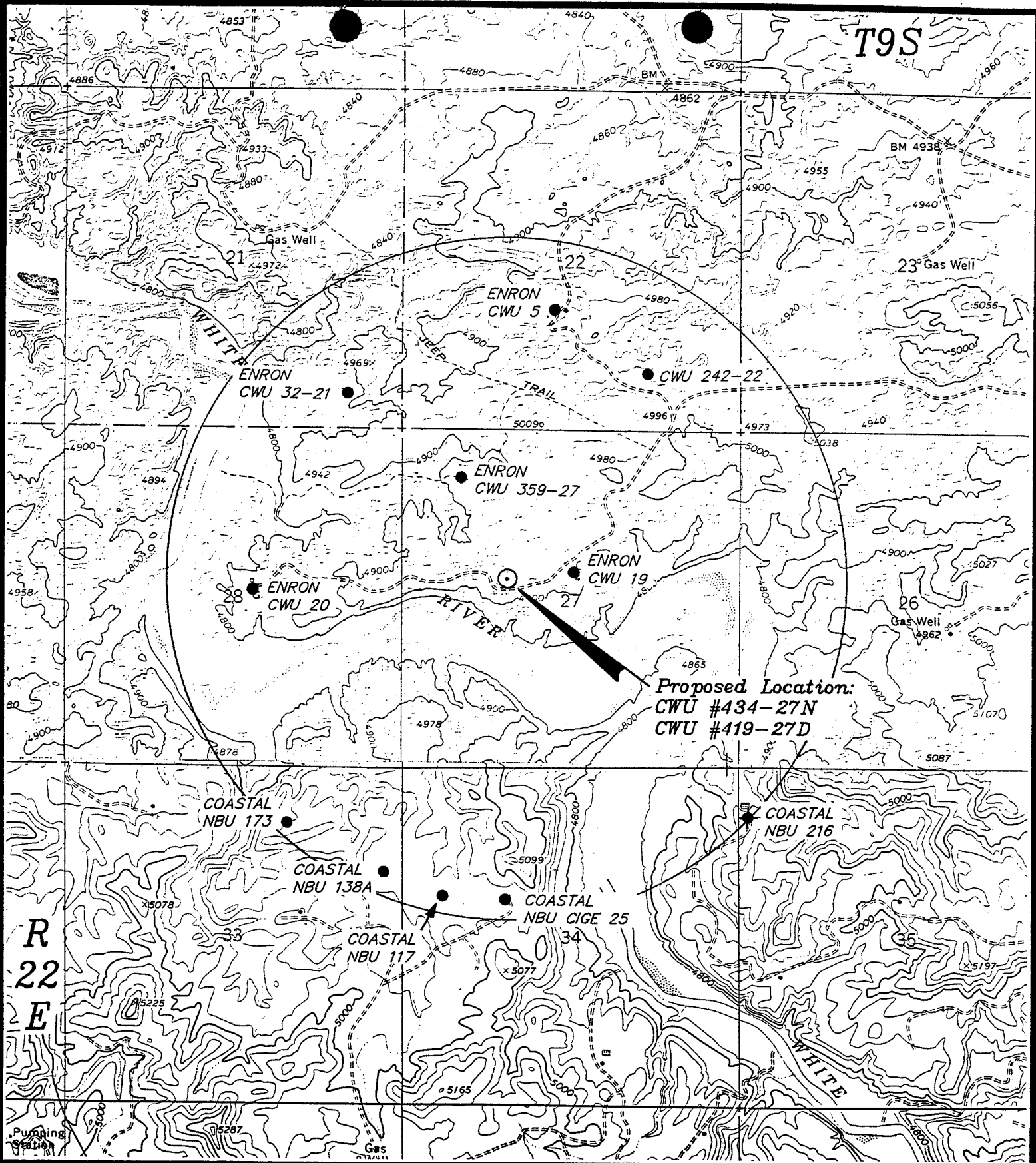
- EXISTING PIPELINE
- - - - - Proposed Pipeline



ENRON OIL & GAS CO.

CWU #434-27N & #419-27D
SECTION 27, T9S, R22E, S.L.B.&M.

DATE: 8-23-94 D.R.B.



LEGEND:

- ⊗ = Water Wells
- = Abandoned Wells
- = Temporarily Abandoned Wells
- ⊗ = Disposal Wells
- = Drilling Wells
- = Producing Wells
- = Shut-in Wells

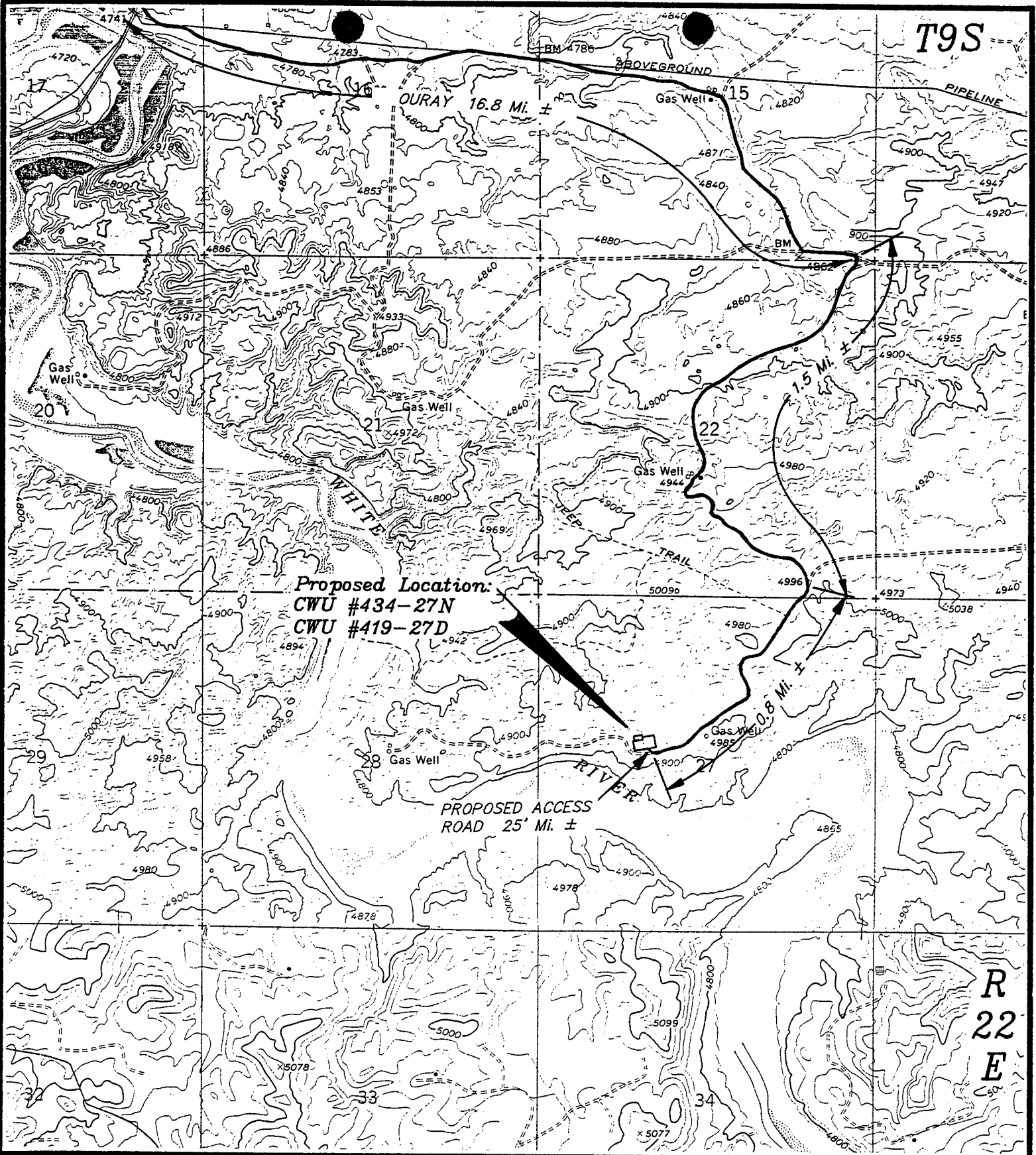


ENRON OIL & GAS CO.

CWU #434-27N & #419-27D
SECTION 27, T9S, R22E, S.L.B.&M.

T O P O M A P " C "

DATE: 8-23-94 D.R.B.



TOPOGRAPHIC

MAP "B"

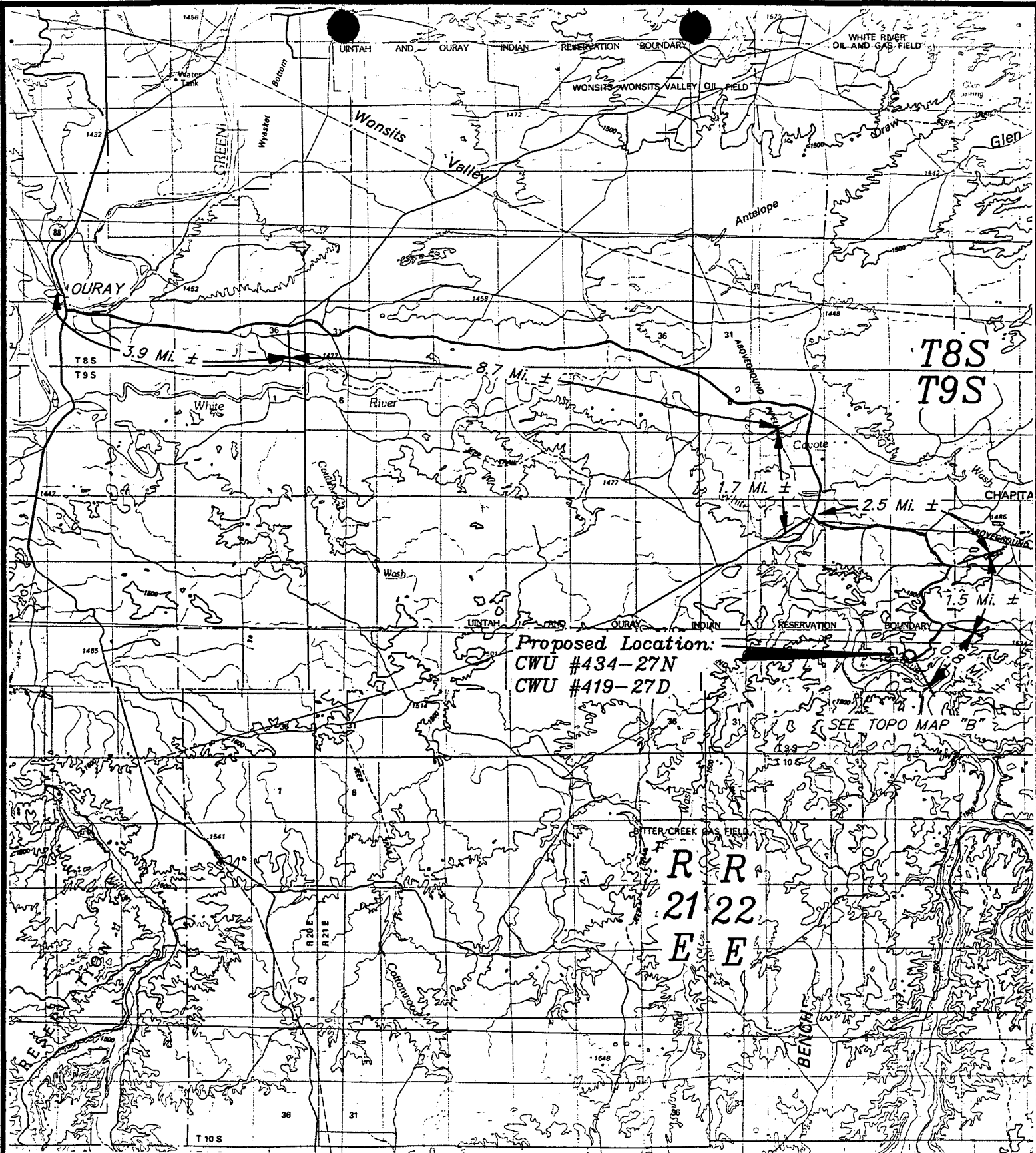
SCALE: 1" = 2000'

DATE: 8-23-94 D.R.B.



ENRON OIL & GAS CO.

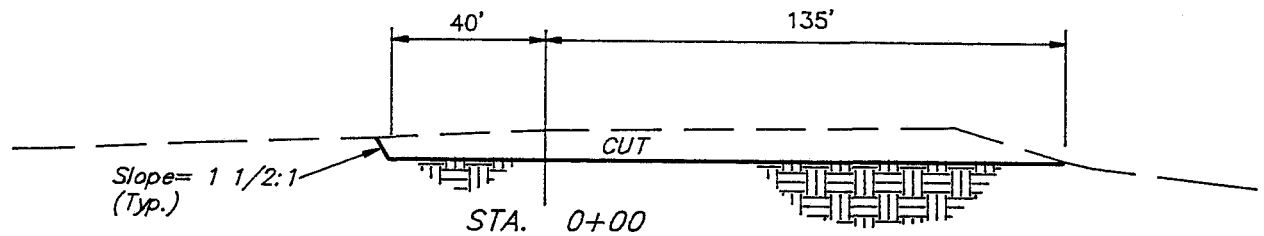
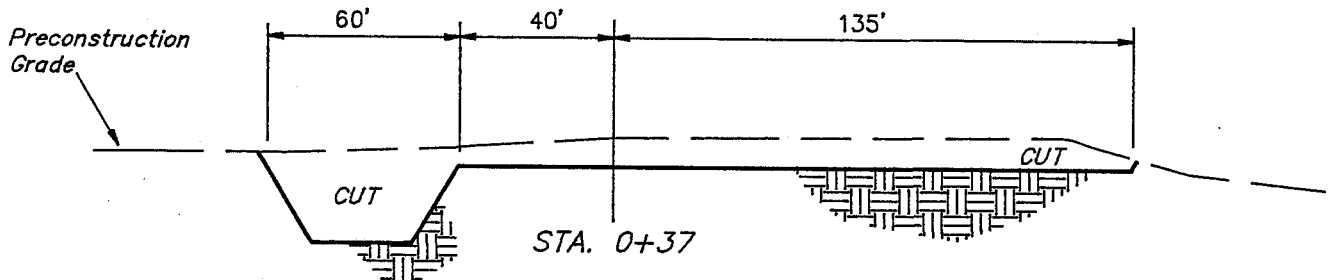
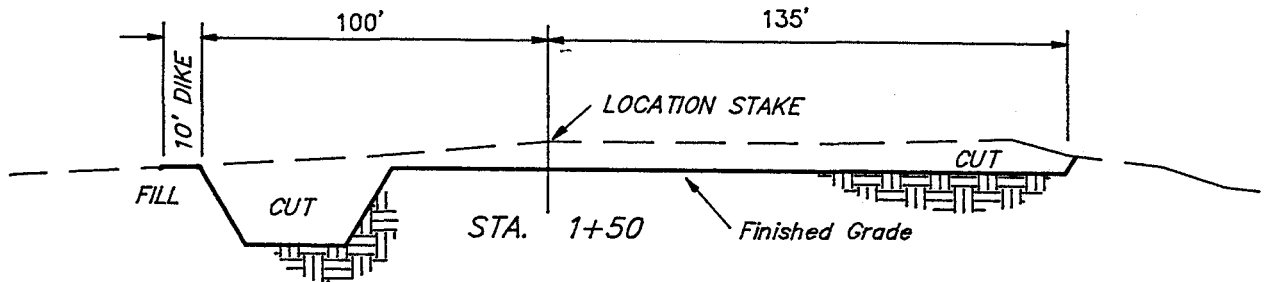
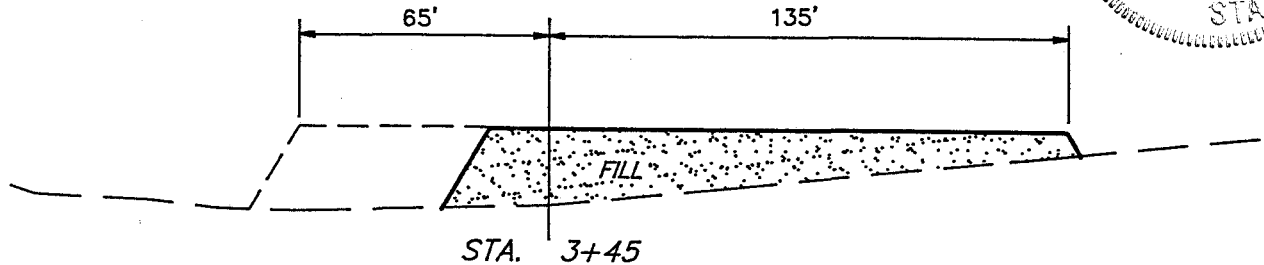
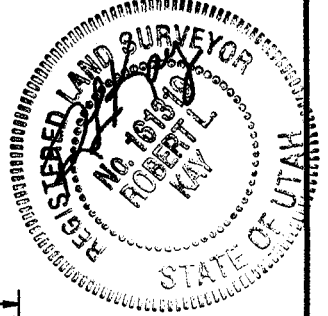
CWU #434-27N & #419-27D
 SECTION 27, T9S, R22E, S.L.B.&M.



ENRON OIL & GAS CO.
TYPICAL CROSS SECTIONS FOR
CWU #434-27N & #419-27D
SECTION 27, T9S, R22E, S.L.B.&M.

1" = 20'
X-Section
Scale
1" = 50'

DATE: 8-23-94
Drawn By: D.R.B.



APPROXIMATE YARDAGES

(6") Topsoil Stripping = 1,340 Cu. Yds.
Remaining Location = 5,010 Cu. Yds.
TOTAL CUT = 6,350 CU.YDS.
FILL = 4,040 CU.YDS.

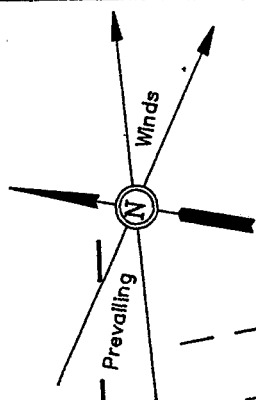
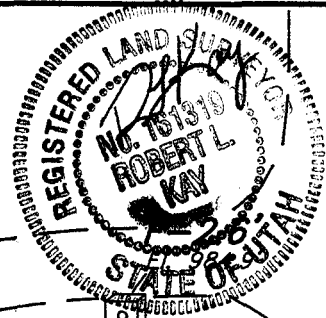
EXCESS MATERIAL AFTER
5% COMPACTION = 2,100 Cu. Yds.
Topsoil & Pit Backfill = 2,100 Cu. Yds.
(1/2 Pit Vol.)
EXCESS UNBALANCE = 0 Cu. Yds.
(After Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (801) 789-1017

ENRON OIL & GAS CO.

LOCATION LAYOUT FOR

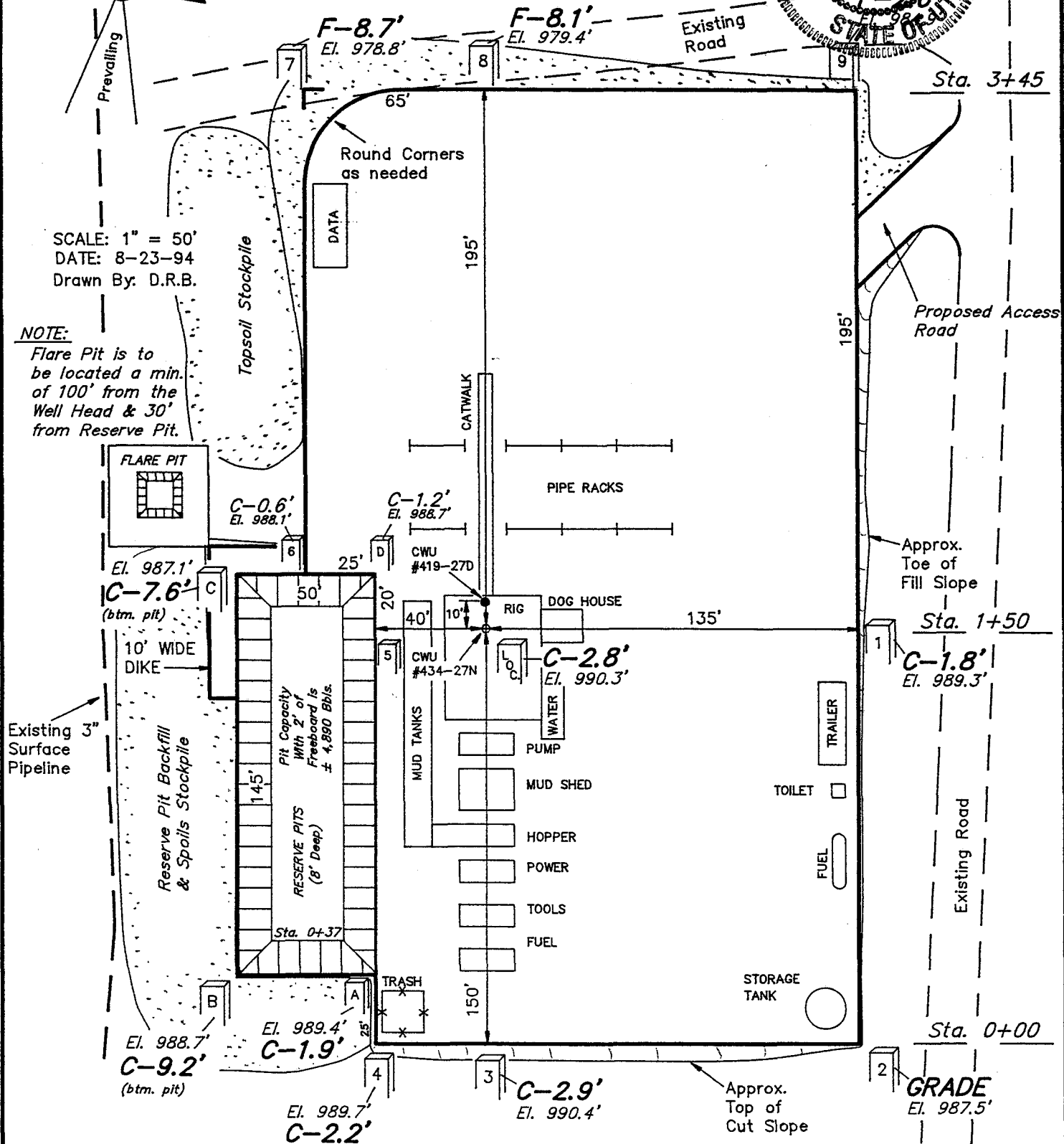
CWU #434-27N & #419-27D
SECTION 27, T9S, R22E, S.L.B.&M.



SCALE: 1" = 50'
DATE: 8-23-94
Drawn By: D.R.B.

NOTE:

Flare Pit is to be located a min. of 100' from the Well Head & 30' from Reserve Pit.



Elev. Ungraded Ground at Location Stake = 4990.3'
Elev. Graded Ground at Location Stake = 4987.5'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (801) 789-1017

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 01/06/95

API NO. ASSIGNED: 43-047-32640

WELL NAME: CWU 434-27N
OPERATOR: ENRON OIL & GAS CO (N0401)

PROPOSED LOCATION:

SE NW 27 - T09S - R22E
SURFACE: 2294-FNL-1638-FWL
BOTTOM: 2294-FNL-1638-FWL
UINTAH COUNTY
NATURAL BUTTES FIELD (630)

LEASE TYPE: FED
LEASE NUMBER: U-0285-A

PROPOSED PRODUCING FORMATION: WSTC

INSPECT LOCATION BY: / /

TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

Y Plat
Y Bond: Federal ☒ State ☐ Fee ☐
(Number 81307603)
N Potash (Y/N)
Y Oil shale (Y/N)
Y Water permit
(Number 49-1501)
N RDCC Review (Y/N)
(Date: _____)

LOCATION AND SITING:

☒ R649-2-3. Unit: UTU 63047X
____ R649-3-2. General.
____ R649-3-3. Exception.
____ Drilling Unit.
____ Board Cause no: _____
____ Date: _____

COMMENTS: _____

STIPULATIONS: _____

STATE OF UTAH

Operator: ENRON OIL & GAS CO	Well Name: CWU 434-27N
Project ID: 43-047-32640	Location: SEC. 27 - T09S - R22E

Design Parameters:

Mud weight (8.60 ppg) : 0.447 psi/ft
 Shut in surface pressure : 2586 psi
 Internal gradient (burst) : 0.064 psi/ft
 Annular gradient (burst) : 0.000 psi/ft
 Tensile load is determined using buoyed weight
 Service rating is "Sweet"

Design Factors:

Collapse : 1.125
 Burst : 1.00
 8 Round : 1.80 (J)
 Buttress : 1.60 (J)
 Other : 1.50 (J)
 Body Yield : 1.50 (B)

Length (feet)		Size (in.)	Weight (lb/ft)	Grade	Joint	Depth (feet)	Drift (in.)	Cost	
1	6,750	4.500	10.50	J-55	ST&C	6,750	3.927		
	Collapse Load Strgth S.F. (psi) (psi)			Burst Load (psi)	Min Int Yield Strgth S.F. (psi)	Tension Load Strgth S.F. (kips) (kips)			
1	3016	4010	1.330	3016	4790	1.59	61.56	132	2.14 J

Prepared by : MATTHEWS, Salt Lake City, UT
 Date : 08-16-1995
 Remarks :

Minimum segment length for the 6,750 foot well is 1,000 feet.
 SICP is based on the ideal gas law, a gas gravity of 0.69, and a mean gas
 temperature of 108°F (Surface 74°F , BHT 142°F & temp. gradient 1.000°/100 ft.)
 The mud gradient and bottom hole pressures (for burst) are 0.447 psi/ft and
 3,016 psi, respectively.

NOTE: The design factors used in this casing string design are as shown above. As a general guide-
 line, Lone Star Steel recommends using minimum design factors of 1.125 - Collapse (with
 evacuated casing), 1.0 - Burst, 1.8 - 8 Round Tension, 1.6 - Buttress Tension, and 1.5 - Body
 Yield. Collapse strength under axial tension was calculated based on the Westcott, Dunlop and
 Kemler curve. Engineering responsibility for use of this design will be that of the purchaser.
 Costs for this design are based on a 1987 pricing model. (Version 1.06)

T 8 S

T 9 S

ENRON OIL & GAS
CHAPITA WELLS UNIT
NATURAL BUTTES FIELD
T 9 S, R 22 E UTAH COUNTY

R 21 E

R 22 E

• 409-11N

• 355-13N

427-24N

• 435-24N

433-28N

• 434-27N



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

August 16, 1995

Enron Oil & Gas Company
P. O. Box 1815
Vernal, Utah 84078

Re: Chapita Wells Unit 434-27N Well, 2294' FNL, 1638' FWL, SE NW, Sec. 27, T. 9
S., R. 22 E., Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Admin. R. 649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-32640.

Sincerely,

R. J. Eirth
Associate Director

ldc

Enclosures

cc: Uintah County Assessor

Bureau of Land Management, Vernal District Office

WAPD



Operator: Enron Oil & Gas Company
Well Name & Number: Chapita Wells Unit 434-27N
API Number: 43-047-32640
Lease: Federal U-0285-A
Location: SE NW Sec. 27 T. 9 S. R. 22 E.

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. Notification Requirements

Notify the Division within 24 hours following spudding the well or commencing drilling operations. Contact Jimmie Thompson at (801)538-5340.

Notify the Division prior to commencing operations to plug and abandon the well. Contact Frank Matthews or Mike Hebertson at (801)538-5340.

3. Reporting Requirements

All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

AUG 17 1995

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

ENRON OIL & GAS COMPANY

3. ADDRESS OF OPERATOR

P.O. BOX 1815, VERNAL, UTAH 84078

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface

2294' FNL & 1638' FWL SE/NW
At proposed prod. zone

42-047-22640

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

19.1 MILES SOUTHEAST OF OURAY, UTAH

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

1638' ±

16. NO. OF ACRES IN LEASE

1800 ±

17. NO. OF ACRES ASSIGNED
TO THIS WELL

80

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1764' ±

19. PROPOSED DEPTH

6750'

20. ROTARY OR CABLE TOOLS

ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

4988' GRADED GROUND

22. APPROX. DATE WORK WILL START*

JANUARY 1995

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	32.3#	240'	125 SX CLASS "G" + 2% CaCl2
7 7/8"	4 1/2"	10.5#	6750'	+ 1/4 #/SX CELLOFLAKE. 50/50
				POZMIX + 2% GEL + 10% SALT
				TO 400' ABOVE ALL ZONES
				OF INTEREST (+ 10% EXCESS).
				LIGHT CEMENT (11 PPG ±)
				+ LCM TO 200' ABOVE OIL
				SHALE OR FRESH WATER
				INTERVALS (+ 5% EXCESS).

SEE ATTACHMENTS FOR:

8 POINT PLAN
DRILLING PROGRAM
BOP SCHEMATIC
SURFACE USE AND OPERATING PLAN
LOCATION PLAT
LOCATION LAYOUT
TOPOGRAPHIC MAPS "A", "B", AND "C"
GAS SALES PIPELINE MAP "D"
FACILITY DIAGRAM

RECEIVED

DEC 22 1994

ENRON OIL & GAS COMPANY WILL BE THE
DESIGNATED OPERATOR OF THE SUBJECT
WELL UNDER NATION WIDE BOND #81307603.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Linda L. Wall

TITLE

Sr. Admin. Clerk

DATE

12/21/94

(This space for Federal or State office use)

NOTICE OF APPROVAL

PERMIT NO.

APPROVAL DATE

ASSISTANT DISTRICT
MANAGER

APPROVED BY

Jimmy Kneuf

TITLE

DATE

AUG 14 1995

CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED
TO OPERATOR'S COPY

*See Instructions On Reverse Side

44080-5M-096
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Enron Oil And Gas Company

Well Name & Number: Chapita Wells 434-27N

API Number: 43-047-32640

Lease Number: U-0285-A

Location: SENW Sec. 27 T. 9S R. 22E

NOTIFICATION REQUIREMENTS

- | | | |
|---------------------------------|---|---|
| Location Construction | - | at least forty-eight (48) hours prior to construction of location and access roads. |
| Location Completion | - | prior to moving on the drilling rig. |
| Spud Notice | - | at least twenty-four (24) hours prior to spudding the well. |
| Casing String and Cementing | - | at least twenty-four (24) hours prior to running casing and cementing all casing strings. |
| BOP and Related Equipment Tests | - | at least twenty-four (24) hours prior to initiating pressure tests. |
| First Production Notice | - | within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days. |

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to Tim Ingwell of this office. Copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a 3M system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

The Vernal District Office shall be notified, at least 24 hours prior to initiating the pressure tests, in order to have a BLM representative on location during pressure testing.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the base of the Usable Water Zone identified at ± 1703 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

The Vernal District Office shall be notified at least 24 hours prior to the running and cementing of all casing strings, in order to have a BLM representative on location while running and cementing all casing strings.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

A cement bond log (CBL) will be run from the production casing shoe to ± 1503 ft. and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

The Vernal District Office shall be notified, during regular work hours (7:45 a.m.-4:30 p.m., Monday through Friday except holidays), at least 24 hours prior to spudding the well.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9. d.), and shall be submitted to the appropriate District Office within sixty (60) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b. 4).

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the AO.

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried or anchored down from the wellhead to the meter and within 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, please contact one of the following individuals:

Wayne Bankert (801) 789-4170
Petroleum Engineer

Ed Forsman (801) 789-7077
Petroleum Engineer

BLM FAX Machine (801) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

- Unused fracturing fluids or acids
- Gas plant cooling tower cleaning wastes
- Painting wastes
- Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids
- Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste
- Refinery wastes
- Liquid and solid wastes generated by crude oil and tank bottom reclaimers
- Used equipment lubrication oils
- Waste compressor oil, filters, and blowdown
- Used hydraulic fluids
- Waste solvents
- Waste in transportation pipeline-related pits
- Caustic or acid cleaners
- Boiler cleaning wastes
- Boiler refractory bricks
- Incinerator ash
- Laboratory wastes
- Sanitary wastes
- Pesticide wastes
- Radioactive tracer wastes
- Drums, insulation and miscellaneous solids.

CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM

If the well becomes a producing well, only the well head would be allowed on the well pad. The production facilities would be located to the north of the pad in a depressed area as agreed by Ed Trotter, Enron Representative, and Harry Barber, BLM Wildlife Biologist.

9/18/96



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal District Office
170 South 500 East
Vernal, Utah 84078-2799

Phone: (801) 781-4400
Fax: (801) 781-4410

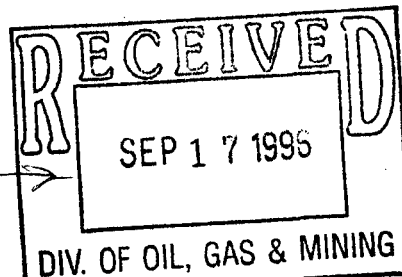
IN REPLY REFER TO:

3162
UT08300

September 10, 1996

Enron Oil & Gas Company
Attn: George McBride
P O Box 1815
Vernal, UT 84078

DOGm
LA
DATE



Re: Notification of Expiration
Well No. CWU 434-27N
Section 27, T9S, R22E
Lease No. U-0285-A

43-047-32640

Dear Mr. McBride:

The Application for Permit to Drill the above-referenced well was approved on August 14, 1995. Since that date, no known activity has transpired at the approved location. Applications for Permit to Drill are effective for a period of one year. In view of the foregoing, this office is notifying you the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Margie Herrmann

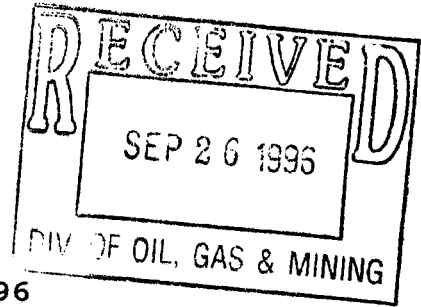
Margie Herrmann
Legal Instruments Examiner

cc: State Div. OG&M

LA'D in area (7-21-99)/CHD

ENRON
Oil & Gas Company

P.O. Box 250 Big Piney, WY 83113 (307) 276-3331



September 24, 1996

Mr. Ed. Forsman
Bureau of Land Management
170 South 500 East
Vernal, Utah 84078

43-047-32640


RE: APD EXTENSION
CHAPITA WELLS UNIT 43⁴~~5~~-27N
SE⁴NW, SEC. 27, T9S, R22E
UINTAH COUNTY, UTAH

Dear Mr. Forsman:

Enron Oil & Gas Company wishes to extend the approved Application of Permit to Drill date from August 14, 1995, to December of 1997 for the referenced well.

If additional information is required, please contact Katy Carlson of this office.

Sincerely,


C.C. Parsons
Division Operations Manager

kc

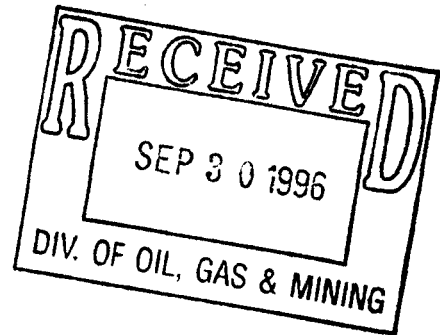
cc: Division of Oil, Gas & Mining
D. Weaver
T. Miller
G. McBride
File

mKH called the BLM.
Permit is rescinded
and cannot be
extended.

BTs
10-1-96

ENRON Oil & Gas Company

P.O. Box 250 Big Piney, WY 83113 (307)276-3331



September 25, 1996

Mr. Ed Forsman
Bureau of Land Management
170 South 500 East
Vernal, Utah 84078

RE: APD EXTENSION
CHAPITA WELLS UNIT 434-27N
SE/NW, SEC. 27, T9S, R22S
UINTAH COUNTY, UTAH

Dear Mr. Forsman:

Enron Oil & Gas Company wishes to extend the approved Application of Permit to Drill date from August 14, 1995, to December of 1997, for the referenced well.

If additional information is required, please contact Katy Carlson of this office.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dennis J. Brabec".

Dennis J. Brabec
Division Drilling Manager

kc

cc: Division of Oil, Gas & Mining
D. Weaver
T. Miller
G. McBride
File

*Talked to Katy Carlson
10/3/96*

A small, handwritten mark or signature, possibly initials, located at the bottom left of the page.

*LA'd
9/17/96
per BLM
New APD submitted
43 047.32789*